

PRESS RELEASE

Airline failure protection raised in the frame of air passenger rights reform

Ministers of several Member States used the discussion on the revision of Regulation 261/2004 on air passenger rights to call for an airline failure protection.

Brussels, 9 December 2024 – There was an overwhelming support from Ministers at the Transport Council of 5 December to re-open discussions on the legislative proposal reviewing the air passenger rights Regulation, which is blocked in Council since 2013. ECTAA welcomes a review of the air passenger rights legislation and applauds the call from Ministers of the Netherlands, Portugal, Spain and Slovenia to address the long overdue lack of an airline failure protection.

ECTAA has called for an effective protection against airline failures for decades. With about one airline ceasing operations per month, it is everything else than a rare phenomenon. 87 airlines went bankrupt between 2011 and 2019 affecting 5.6 million consumers according to a [study](#) by the European Commission. Data released by IATA indicates that 160 airlines worldwide ceased operations between 2019 and 2022, with half of the airline 'deaths' in 2022 reported in Europe.

Passengers face significant financial and logistical damages when an airline goes bankrupt. Passengers who have already commenced their travel may find themselves stranded without a return flight. Passengers with prepaid tickets for future flights often lose their money if the airline becomes insolvent. Refunds are rare because assets are prioritized for creditors like tax authorities and employees, leaving little for passengers.

The introduction of a mandatory airline failure protection mechanism protecting all impacted actors is urgently needed. This became once again clear at the discussion of the Transport Council last Thursday. Measures like encouraging consumers to purchase travel insurance instead or having national authorities dealing with repatriations in order to remedy disruptions and financial losses caused by airline failures is not fair for consumers and taxpayers alike.

ECTAA President Frank Oostdam said *“The introduction of a mandatory protection against airline failures is long overdue. We as representatives of travel agents and tour operators have long been among the growing group of stakeholders calling for it. Denmark’s guarantee fund for air tickets stands as a proven example of a sustainable and successful model that safeguards consumers.”*

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About ECTAA

ECTAA represents the interests of 80,000 travel agents and tour operators in Europe, which provide consultancy and sell transport, accommodation, leisure and other tourism services as well as combined products to leisure and business customers.

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